

rm, such
positive
ther ex-
stake in
This
ntained
names
known

FILE,
solicitor.

RECEIVED

RECEIVED

RECEIVED

7

IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1938.

No. 51

ARMSTRONG PAINT AND VARNISH WORKS,
Petitioner,
vs.

ENAMEL CORPORATION, an Illinois Corporation,
and

ENAMEL CORPORATION, a Delaware Corporation,
Intervener,
Respondents.

**PETITIONER'S PETITION FOR REHEARING AND
MOTION FOR STAY OF MANDATE.**

*to the Honorable The Chief Justice and to the Associate
Justices of the Supreme Court of the United States:*

Now comes the petitioner above named and respectfully
presents this, its petition for a rehearing of the above en-
d cause, in which an opinion was rendered on De-

ember 5, 1938, affirming the judgment of the Circuit Court of Appeals for the Seventh Circuit.

We are filing this petition for re-hearing, of course, in the interests of our client, but we feel that we also owe an obligation to the Court to call its attention to the matters contained in its opinion herein, which we believe may result in confusion on the law of trade-marks and therefore require clarification and revision.

Bearing in mind that the Court is here concerned with domestic rights to an alleged trade-mark registered under the Trade-Mark Act of 1920, and not with a foreign infringement, we respectfully submit that the opinion of the Court contains the following contradictory and irreconcilable findings and conclusions:

1. The Court holds with petitioner that the effect of registration of "Nu-Enamel" under the 1920 Trade-Mark Act on domestic rights is nil (p. 11), and that such registration did not create any substantial rights in the registrant (p. 3).

Yet the Court has apparently decided that by registering "Nu-Enamel" under the 1920 Act, respondent acquired the substantial and domestic right to protection of the mark under the Act by injunction and triple damages.

2. The Court holds with petitioner that "Nu-Enamel" is descriptive of the enamels in issue (p. 11), and that a mark which is descriptive is not a good trade-mark at common law (p. 12).

Yet the Court has apparently decided, contrary to the previous decisions of this Court, that "Nu-Enamel" is a technical trade-mark, for the alleged infringement of which respondent may sue and obtain redress under the Trade-Mark Laws of the United States.

3. The Court holds that the 1905 Trade-Mark Act alone affects domestic rights.

Yet the Court's apparent decision has made unnecessary the 1905 Trade-Mark Act as far as domestic rights are concerned, by nullifying its effect. Under the Court's decision, anything may now be registered under the 1920 Trade-Mark Act (after one year's use) and domestic rights thereunder asserted in the Federal Courts, either directly under the Act, or, by the mere allegation of registration under this "ineffective" act, sue for unfair competition.

4. The Court holds with the petitioner that

"Nu-Enamel" is descriptive of a type of paint long familiar to manufacturers" (p. 7).

Yet the Court, without distinguishing its previous decisions to the contrary,* has decided that, in spite of its common use in the paint industry before respondent commenced business, "Nu-Enamel" can become the exclusive private property of respondent.

5. The Court holds that (p. 12):

"The rights of Nu-Enamel Corporation to be free of the competitive use of 'Nu-Enamel' may be vindicated, also, through the challenge of unfair competition, as set out in the bill."

Yet the opinion fails to point out where in the bill is unfair competition alleged.

I.

With reference to the effect of registration under the 1920 Trade-Mark Act on the domestic rights of the registrant, we quote the following from the Court's opinion therein:

"This enables the (b) marks to be registered abroad." (p. 4)

"The Committee on Patents in the Senate was quite positive that the effect of the act on domestic rights was nil." (p. 11)

"The legislation has no effect on the domestic rights of anyone. It is simply for the purpose of enabling manufacturers to register their trade-marks in this country for the purpose of complying with legislation in foreign countries, which necessitates registration in the United States as a necessary preliminary for such foreign registration." (p. 11, note 21)

"The registration of 'Nu-Enamel' does not create any substantial rights in the registrant." (p. 3)

The Court is concerned here only with an alleged *domestic* infringement. *Domestic* rights only being involved, there can, therefore, we submit, be no basis whatsoever for a suit grounded on the 1920 Act, *even if a valid trade-mark were involved herein*. The decision herein, however, contrary to the above quotations from the opinion, holds that, by registering "Nu-Enamel" under the 1920 Act, the respondent thereby acquired the *domestic* right to sue thereunder for an alleged domestic infringement, and the *substantial* right to recover under said act triple damages for such alleged domestic infringement. The property right to an incorporeal thing like a trade name or a trade-mark consists only in the right to exclude others from using it. In giving that right to respondent under the 1920 Act, the Court has contradicted its holding above that "the registration of Nu-Enamel does not create any substantial rights in the registrant."

We submit that in this respect the decision is also in conflict with this Court's recent decision and opinion in *Kellogg Co. v. National Biscuit* (decided November 14, 1938) and the decision of the Circuit Court of Appeals for the 2nd Circuit, in *Rouss v. Winchester*, 300 F. 706

(certiorari denied 266 U. S. 607). The Court's decision apparently nullifies and makes unnecessary the Trade-Mark Act of 1905, which alone was enacted for the protection of domestic trade-marks, and registration under which Act alone confers domestic rights on the registrant.

In view of the recognition by the Court in its opinion herein, and in the *Kellogg* case, that the 1920 Act was enacted solely for the purpose of foreign registration, that "on rights it is as though there had been no registration" (p. 3, note 2), and that *domestic* rights are therefore in no way affected, we do not believe that this Court intends to hold (as it apparently holds) that the registration of "Nu-Enamel" under the 1920 Act gave to respondent, the registrant thereof, the *domestic* right to sue under said Act for an alleged domestic infringement, and to assert under said act the *substantial* right to triple damages.

May we again call the court's attention to the fact that, as was the fact in *Kellogg Co. v. National Biscuit Co.* (p. 4), the respondent herein had attempted to acquire these domestic rights by registration under the 1905 Trade-Mark Act, and, as in the *Kellogg* case, registration was rejected because the mark ("Nu-Enamel") was descriptive of the product (Petitioner's brief, p. 5, R. 32).

II.

The Court in its opinion says (p. 4):

"Unless plainly unsubstantial, the allegation of registration under the act is sufficient to give jurisdiction of the merits."

We respectfully submit that the court's holding that (p. 5):

"Registration of 'Nu-Enamel' furnished a substantial ground for federal jurisdiction,"

is inconsistent with and contradicts the Court's decision

that registration under the 1920 Act is "as though there had been no registration" (p. 3, note 2) and with its holding that "the effect of the Act on domestic rights was nil." (p. 11) What is a *nullity* is obviously wanting in substance—for it has no substance. We respectfully submit, that the allegation of registration under the 1920 act, is, in so far as concerns the *domestic rights* herein involved, "plainly unsubstantial" and insufficient to give a federal court jurisdiction in the absence of diversity of citizenship.

III.

The Court in its opinion says (p. 11):

"The registrant acquires by the acceptance of his mark under the 1920 act the right to proceed in the Federal courts against infringers and to recover triple damages if he can establish his ownership of the trade-mark at common law.

'Nu-Enamel' is descriptive of the enamels in issue
* * * (p. 12)

"But a mark which is descriptive is not a good trade-mark at common law." (Italics ours.)

Among others, the Court cites as authority for the above, *Elgin v. Illinois Watch Co.*, 179 U. S. 665. As does the case at bar, so did the *Elgin* case involve the question of secondary meaning, in that case of the geographic word "Elgin". This Court in the *Elgin* case held that, while secondary meaning may afford protection against unfair competition because it is a trade-name, "*this geographical name could not be employed as a trade-mark and its exclusive use vested in appellant.*" (*Elgin v. Illinois Watch Co.*; 179 U. S. 665, 667, Petitioner's brief p. 18.)

In *Warner v. Lilly Co.*, 265 U. S. 526, 528, also cited by

this Court in its opinion herein (p. 12, note 22), this Court held:

"A name which is merely descriptive of the ingredients, qualities or characteristics of an article of trade cannot be appropriated as a trade-mark and the exclusive use of it afforded legal protection." (Petitioner's brief, p. 22.)

In *Rouss v. Winchester*, (300 F. 706) (Certiorari denied, 266 U. S. 607), the Court discussed this subject at length and said (p. 714):

"the fact that a geographic term has come to have a secondary meaning does not constitute it a valid trade-mark at common law."

We submit that the authorities establish, *without qualification*, that the doctrine of secondary meaning cannot be invoked to give to a descriptive word or term the effect of a technical trade-mark as distinguished from a trade-name. (See cases cited in Petitioner's Brief, pp. 18-21.)

The Trade-Mark Acts of the United States (both of 1905 and 1920, 41 Stat. 524, Sec. 4, Opinion p. 4, note 5), provide remedies only for infringement of a trade-mark—a technical trade-mark as distinguished from a trade-name. Where a descriptive word or term has acquired a secondary meaning, it results only in the acquisition of a trade-name. An action based on unfair competition is the only remedy where a trade-name, as distinguished from a technical trade-mark is involved. (*Elgin Watch v. Illinois Watch Case Co.*, 179 U. S. 665, and cases cited in Petitioner's Brief, pp. 18-21.)

We respectfully submit, therefore, that the court's holding that "Nu-Enamel" is descriptive, and its decision that respondent is entitled to relief for its alleged *infringement* under the Trade-Mark Laws of the United States, are irreconcilable and contradictory, and that the latter

holding is in conflict with the previous decisions of this Court, and the universal holdings of the Circuit Courts of Appeals. We submit that it is also in conflict with the recent decision of this Court in *Kellogg Co. v. National Biscuit Co.* (decided November 14, 1938), where this Court held (p. 5) that if the words "shredded wheat" (descriptive of the product as is "Nu-Enamel" herein) had acquired a secondary meaning, that fact would have established the words "shredded wheat," not as a trade-mark, but only as a *trade-name*.

IV.

In its opinion herein, the Court says (p. 7):

"It seems clear that the mark 'Nu-Enamel' is descriptive of a type of paint long familiar to manufacturers, with the addition of the adjective new, phonetically spelled or misspelled. Obviously this slight variation from the orthographic normal is not unusual. Numerous illustrations of such use by paint and varnish manufacturers are given by petitioner in its answer (brief)." (Italics ours.)

This Court, therefore, confirms the finding of fact of the District Court that:

"'Nu' was commonly used in the paint and other industries in combination with other words as a misspelling or phonetic spelling of 'new' to designate brands and kinds of enamel, paint and other commodities before plaintiff and its predecessors adopted the name 'Nu-Enamel.'" (Opinion, p. 2; R. 108.)

We submit that the Court's holding that "Nu-Enamel" is a trade-mark, and that respondent has the exclusive right to the use of "Nu" with "Enamel" cannot be reconciled with the above finding and is in conflict with the previous decisions of this Court. We refer particularly

to *Hanover Milling Co. v. Metcalf*, 240 U. S. 403, 415, and *Columbia Mill v. Alcorn*, 150 U. S. 460, both cited in Petitioner's Brief, p. 25. In the latter case this Court said (464):

"The alleged trade-mark cannot, for many reasons, be made the subject of an exclusive private property. First, because it is clearly shown from the proof in the cause that the word 'Columbia,' as a brand upon sacks or barrels of flour, was in use long before its appropriation by the complainant."

The Court has apparently overlooked the above *material finding*, which it confirmed, and the decisions of this Court aforesaid, applicable thereto, which decisions the Court neither mentions nor distinguishes in its opinion herein.

We again quote the following words of counsel for respondent:

"The courts do not protect a trader in the use of things which are common to the trade, because being common to the trade, they cannot indicate commercial origin with any one producer." (Rogers "Good Will, Trade-Marks and Unfair Trading," p. 83.) (Petitioner's Brief, p. 25.)

We respectfully submit that in view of the above "Nu-Enamel" cannot become the exclusive property of respondent.

V.

As to the construction of Paragraph (b) of Section 5 of the 1905 Act incorporated in the 1920 Act.

In discussing whether or not Section (b) of the 1920 Act (which specifically incorporates paragraph (b) of Section 5 of the 1905 Act), prohibits the registration of descriptive marks, the Court in its opinion (referring to

In re Chas. R. Long, Jr. Co. (C. C. A. D. C.), 280 F. 975, 977), says (p. 9):

"A dictum^o has expressed a view contrary to that of the Patent Office."

We submit that the view expressed in the *Long* case was not contrary to that of the Patent Office in that case. *It was the view of the Patent Office* and because of which the registrant therein appealed. It will be noted from a reading of the *Long* case (p. 976), that the Patent Office, holding that a descriptive word was not registerable under the 1920 Act, required the registrant therein "*to file a disclaimer of the descriptive word 'Stabrite.'*" We also respectfully submit that the Court's construction of the 1920 Act in the *Long* case was not a dictum but was a necessary part of its decision upholding the ruling of the Patent Office and in answer to appellant's contention therein.

The Court moreover, has apparently overlooked the construction, identical with that in the *Long* case, placed on the 1920 Act by the Circuit Court of Appeals for the 2nd Circuit in *Rouss v. Winchester*, 300 F. 706, 713, in which this Court denied certiorari (266 U. S. 607) (Petitioner's Brief, p. 17, Reply Brief, p. 7). The view thus expressed and the construction placed on the 1920 Act in that case were not dicta. They were necessary and essential to the decision therein, namely, that personal names and geographic and descriptive words were, under the construction contended for by the petitioner herein, *expressly barred from registration under the 1920 Act.*

We respectfully submit that the construction and interpretation placed on the 1920 Act by the Courts in *Rouss v. Winchester*, and *In re Chas. R. Long, Jr.*, should not be overthrown, but should be adopted here. Any other construction, involving as it does the deletion by a Court of an unambiguous portion of the Act, a deletion deter-

ained largely through conjecture from Committee discussions and correspondence, is, we submit, a strained and unreasonable one, a construction which does violence to clear and unambiguous language, and in our opinion, constitutes judicial legislation. If the Act is badly drawn, the remedy for its rectification lies with Congress and not with the Court.

We submit, therefore, that descriptive words like "Nu-Enamel" are not registerable under the 1920 Trade-Mark Act.

VI.

As to the issue of unfair competition.

In its opinion the court says (p. 12):

"The rights of Nu-Enamel Corporation to be free of the competitive use of 'Nu-Enamel' may be vindicated, also, through the challenge of unfair competition, as set out in the bill."

Petitioner has consistently maintained that the issue of unfair competition is not involved herein, because unfair competition is nowhere alleged in the bill—that the bill confines itself *in specific terms entirely* to the allegation of infringement of a registered trade-mark. No relief against unfair competition was prayed for. Unfair competition was, therefore, not raised as an issue herein and the court, therefore, had no jurisdiction over the issue of unfair competition, as the District Court held.

We are still of that opinion. Nowhere in the court's opinion is it pointed out that unfair competition was pleaded other than the court's statement that (p. 5),

"The facts supporting a suit for infringement and one for unfair competition are substantially the same. They constitute and make plain the wrong complained of, the violation of the right to exclusive use."

We submit that even in the light of the above pronouncement by the court, respondent cannot introduce evidence of facts other than those pleaded, and to the introduction of which evidence, petitioner objected on the trial hereof (R. 67). Because of petitioner's position on this point and which was adopted by the District Court, petitioner did not at the trial hereof attempt in any way to meet evidence introduced by the respondent on the issue of unfair competition. We submit, therefore, that even if the Court should deny petitioner's motion for a rehearing, and adhere to its present decision, this cause should be remanded with instructions to the District Court to hear evidence on the issue of unfair competition. Thereby only will petitioner be afforded an opportunity to meet the evidence on this issue introduced by the respondent.

We contend that there is no infringement, first, because as we have attempted to point out above (page 6), this case involves not a technical trade-mark, but a trade-name, and secondly, because petitioner did not use respondent's mark "Nu-Enamel" but used the words "Nu-Beauty" together with the word "Enamel" on the product commonly known as enamel. The only remedy available to respondent, if the Federal Court has jurisdiction, is for unfair competition, and not under the Trade-Mark Statutes. As the Court itself points out in its opinion (p. 5) "that jurisdiction should be continued to determine, on substantially the same facts, the issue of unfair competition."

VII

Practical consequences of the Court's opinion.

Let us consider also the economic and practical consequences of the court's decision. In many industries, and in the paint industry in particular, as this Court recognizes in its opinion (p. 7), overlapping marks (such as "Nu") are the rule rather than the exception, and as the Court says (p. 7), "the mark 'Nu-Enamel' is *descriptive of a type of paint long familiar to manufacturers.*" In fact, as we pointed out in oral argument, the mark "Nu-Name!" had previously been used by a paint manufacturer in New Orleans where respondents commenced business. (Supplement to petitioner's brief, p. 37.)

If the court's decision is to stand, no manufacturer or dealer in enamels may use the word "Nu", for the Court has apparently held that "Nu-Enamel" is a valid trade-mark. We do not believe the Court intended such a far-reaching and drastic result. We do not believe that this Court intended to overrule and to disregard the long established fundamental rules enunciated by this Court and all other Federal courts relative to the limitations of monopolies on descriptive words and terms, and of words, terms and symbols which are common to an industry.

If, as this Court held in *Kellogg Co. v. National Biscuit Co.*, anyone may use the words "shredded wheat" because it is descriptive, it is difficult to comprehend that a seller of enamel may not describe his product as "Nu-Beauty" because a competitor has acquired a trade-name in the words "Nu-Enamel". Particularly does such a view seem drastic and contrary to all previous pronouncements by this Court in the light of the utter lack of similarity in

the color of the labels, type of print, and every other item constituting the respective labels of petitioner and respondent. We again reiterate what we stated in our brief (p. 34):

"An inspection of petitioner's and respondents' cans and labels clearly discloses that he would have to be an extremely careless person and color-blind, who would mistake and confuse the two. We submit that petitioner's cans of enamel bear no greater resemblance to respondents' cans, than do other cylindrical cans of enamel of the same size which may bear on their labels the word 'enamel'. If there are any isolated instances of confusion, as the Court said in *Richmond Remedies Co. v. Dr. Miles Medical Co.* 'such things will happen in the ordinary course of business, no matter how great the difference is.'"

The Court, in its opinion (p. 2) refers to the fact that respondent used its mark with the slogan "The coat of enduring beauty". Does the Court intend by its decision to imply that every word aptly describing the attributes and characteristics of paint may by user be appropriated to the exclusion of all other competitors? This the Court has apparently said as to the descriptive word "new" spelled, "Nu", as to the descriptive word "enamel" and as to the descriptive word "beauty". Why not as to every word on the label, including the directions for use? We put the above rhetorical question only to illustrate our contention that the court's apparent decision that "Nu-Enamel" can be appropriated as a valid trade-mark cannot be reconciled with the Court's holdings that "Nu-Enamel" is descriptive of the product, and that it has long been used in the paint industry.

CONCLUSION.

It is submitted that since this Court found that the claims of the respondent do not rest upon any federal ground, because there was only a nullity upon which to base any federal ground, the District Court was clearly right in dismissing the bill. This conclusion squares precisely with the holding of this Court in *Hurn v. Oursler*, 229 U. S. 238, 248. Furthermore, the decision in the instant case on the point under discussion, overrules the opinions of this Court in *Leschen Rope Co. v. Broderick*, 201 U. S. 166, *Standard Paint Co. v. Trinidad Asphalt Co.*, 220 U. S. 446, and *Elgin Watch Co. v. Illinois Watch Co.*, 179 U. S. 665. Respectfully, it is submitted that the overruling of these decisions, in addition to many other like decisions of Circuit Courts of Appeals, opens the door to grave abuse. By registering a notoriously invalid trademark under the Act of 1920, and by calling two or three witnesses to prove secondary meaning, the registrant has in his power to compel the federal courts to determine his common law claims even though there is no diversity of citizenship.

We submit that in other respects the decision herein is a marked departure from and an abandonment of the previous decisions of this Court (even as recent as *Kellogg Co. v. National Biscuit Co.*), and of other federal courts. We submit that it is a decision which will profoundly affect not only the paint industry, but other industries in the United States as well, in that all marks in use for one year or more, regardless of their nature, may now apparently be registered under the 1920 Trade-Mark Act, which was passed only for the purposes of foreign registration, and substantial domestic rights asserted thereunder. If

MICROCARD

TRADE MARK



22



MICROCARD[®]
EDITIONS, INC.

PUBLISHER OF ORIGINAL AND REPRINT MATERIALS ON MICROCARD AND MICROFICHES
901 TWENTY-SIXTH STREET, N.W., WASHINGTON, D.C. 20037, PHONE (202) 333-6393

3

8

9

9

5

1

6



the Court is correct in its construction of the 1920 Act, it will no longer be necessary for any trade-mark to be registered under the 1905 Act, since all marks, regardless of whether they are descriptive, personal or geographic, may, after one year's use, be registered under the 1920 Act, and the registrant may under said Act, even for an alleged domestic infringement, have every remedy which he would have under the 1905 Act.* We cannot believe that this Court intended such a result or consequence.

WHEREFORE, your petitioner prays that this petition for rehearing be granted and that the mandate of this Court be withheld pending the determination of the Court upon this petition, and for such further time as the Court may order if this petition be granted.

Respectfully submitted,

GEORGE A. CARPENTER,

GEORGE I. HAIGHT,

MOSES LEVITAN,

Counsel for Petitioner.

I, Moses Levitan, counsel for the above named petitioner, do hereby certify that the foregoing petition for rehearing of this cause is presented in good faith and not for delay.

MOSES LEVITAN,

* With the exception that the registrant would be required in the first instance to prove ownership of the mark.

SUPREME COURT OF THE UNITED STATES.

No. 51.—OCTOBER TERM, 1938.

Armstrong Paint and Varnish Works,
Petitioner,
vs.
Nu-Enamel Corporation, an Illinois
Corporation, and Nu-Enamel Cor-
poration, a Delaware Corporation.

On Writ of Certiorari to
the United States Cir-
cuit Court of Appeals
for the Seventh Circuit.

[December 5, 1938.]

Mr. Justice REED delivered the opinion of the Court.

The Nu-Enamel Corporation, of Illinois filed its bill of complaint in a District Court of the United States in Illinois to enjoin the Armstrong Paint and Varnish Works, a corporation of the same state, from using in the sale of paints, varnishes and similar goods the words "Nu-Beauty Enamel" or any name including the words "Nu-Enamel" or other colorable imitation of plaintiff's registered trade-mark Nu-Enamel or otherwise infringing it; to require an accounting of profits, and to recover treble damages. Pending the litigation, the plaintiff sold its assets to the other respondent Nu-Enamel Corporation of Delaware but continued its own corporate existence. The purchaser was permitted to intervene.

The bill showed the registration by the plaintiff of Nu-Enamel under the Act of March 19, 1920, Trade-Mark 308,024, for mixed paints, varnishes, paint enamels, prepared shellacs, stains, lacquers, liquid cream furniture polishes and colors ground in oil. It set out that the name "Nu-Enamel" through wide use by plaintiff had come to mean "plaintiff and plaintiff's products only" and the "word 'Nu-Enamel' is a mark by which the goods of the plaintiff are distinguished from other goods of the same class." There were further allegations that defendant had adopted the name "Nu-Beauty Enamel" with full knowledge of prior and extensive use by plaintiff of "Nu-Enamel"; that as a result of defendant's use of the mark "Nu-Beauty Enamel", merchants passed off defendant's products for plaintiff's, and that the products of both manufac-

2 *Armstrong Paint and Varnish Works vs. Nu-Enamel Corp.*

turers were sold in interstate commerce. An exhibit showed that plaintiff used its mark with this slogan printed above it "The cost of enduring beauty."

Defendant admitted "that the name 'Nu-Enamel' has come to mean and is understood to mean, throughout the United States, including the State of Illinois and the City of Chicago, the plaintiff and plaintiff's products only, and the word 'Nu-Enamel' is a mark by which the goods of the plaintiff are distinguished from other goods of the same class"; denied the validity but not the fact or extent of the coverage of the registration; asserted "Nu-Enamel" was a descriptive and generic term and that it had adopted "Nu-Beauty" in connection with enamel and kindred products before it heard of the trade-mark or trade name "Nu-Enamel." Defendant answered specifically that it marketed only enamels under the designation "Nu-Beauty Enamel" and that it did not market paints and varnishes under this name. The jurisdiction of the court over the subject matter was denied.

The District Court made the following material findings of fact:

"1. Plaintiff and defendant at the time of the filing of the bill of complaint herein were and are now both citizens of the State of Illinois. The intervener, Nu-Enamel Corporation, is a corporation of the State of Delaware.

2. 'Nu' in 'Nu-Enamel', appearing on plaintiff's label, is a phonetic spelling or misspelling of the English word 'new' and means 'new'.

3. 'Enamel' is a common English word describing a paint which flows out to a smooth coat when applied and which usually dries with a glossy appearance, and has long been known as such in the paint industry and to the public in general.

4. 'Nu-Enamel' used in connection with paint or enamel sold by plaintiff means 'new enamel' and is a common and generic term descriptive of the product to which it is applied and of its new or recent origin.

5. 'Nu' was commonly used in the paint and other industries in combination with other words as a misspelling or phonetic spelling of 'new' to designate brands and kinds of enamel, paint and other commodities before plaintiff and its predecessors adopted the name 'Nu-Enamel.'"

It determined that "Nu-Enamel" was not a valid trade-mark under the Trade-Mark Acts or at common law and, having so determined, refused jurisdiction of unfair competition.

The Circuit Court of Appeals reversed.¹ That court held the trade-mark non-descriptive, valid and infringed. It was of the opinion that the mark had acquired a secondary meaning. It found that the petitioner's conduct enabled merchants to palm off the Armstrong product for "Nu-Enamel" and concluded that the District Court had jurisdiction of the issue of unfair competition. We granted certiorari on account of the importance in trade-mark law of the issues of the descriptive character of the mark and the effect of its acquired meaning under the Trade-Mark Act of 1920, — U. S. —.

As the petitioner concedes by answer that "Nu-Enamel" has acquired the meaning of respondent and respondent's products only and is a mark which distinguishes respondent's goods from others of the same class, no evidence or finding is needed to establish that fact. It may be noted, also, that the allegation of the use of "Nu-Beauty Enamel" by Armstrong on products other than enamels, fails of proof. Armstrong uses this mark on enamels only. On other products, there is the mark "Nu-Beauty," followed by some descriptive word, such as paint, varnish or brush.

Federal Trade-Mark Act of 1920. The registration of "Nu-Enamel" does not create any substantive rights in the registrant.² Trade-marks registered under the 1920 act may be attacked collaterally. *Kellogg Co. v. National Biscuit Co.*, 71 F. (2d) 662, 666. The act forbids the unauthorized use of the registered mark in foreign and interstate commerce and adopts the procedural provisions of the Trade-Mark Act of 1905.³ Through the inclusion of these procedural sections the lower Federal courts are given original and appellate jurisdiction of "all suits at law or in equity respecting trade-marks registered in accordance with the provisions of this Act, arising under the present Act" and this Court was given jurisdiction for certiorari "in the same manner as provided for patent cases."⁴ Section nineteen of the 1905 act vesting

¹ 95 F. (2d) 448.

² *Kellogg Co. v. National Biscuit Co.*, Nos. 2 and 56, this term, decided November 14, 1938, advance sheet 4, note 3; *Charles Broadway Rouss, Inc. v. Winchester Co.*, 300 Fed. 706, 713, 714; *Sleight Metallic Ink Co. v. Joseph P. Marks*, 52 F. (2d) 664, on rights it is "as though there had been no registration," p. 665; *Neva-Wet Corp. v. Never Wet Processing Corp.*, 277 N. Y. 163, 13 N. E. (2d) 755, 759; *Slaymaker Lock Co. v. Reese*, 24 F. Supp. 69, 72.

³ Trade-Mark Act of March 19, 1920, Section 6, 41 Stat. 535.

⁴ Secs. 17 and 18, Fed. Trade-Mark Act of February 20, 1905, 33 Stat. 728-29; Secs. 5 and 6, Act of March 3, 1891, 26 Stat. 827-28; Sec. 240a of the Judicial Code confirms this jurisdiction. *Street & Smith v. Atlas Mfg. Co.*, 231 U. S. 348, 352. Cf. *Forsyth v. Hammond*, 166 U. S. 506, 513.

4 *Armstrong Paint and Varnish Works vs. Nu-Enamel Corp.*

power to grant injunctions in trade-mark cases is applicable to proceedings under the 1920 act. By section twenty-three former remedies in law and equity are left available. The significant distinction between the two acts is the omission in the 1920 act of provision of section sixteen of the earlier act making the registration of a trade-mark prima facie evidence of ownership.

On its face the act shows it was enacted to enable American and foreign users of trade-marks to register them in accordance with the provisions of the convention for the protection of trade-marks and commercial names, signed at Buenos Aires in 1910. In addition section one, paragraph (b), provides, without limitation on the export trade, for the registration of marks not registrable under section 5 of the Trade-Mark Act of 1905, after one year of use in interstate or foreign commerce. This enables the (b) marks to be registered abroad.

While the act of 1920 does not vest any new substantive rights, it does create remedies in the Federal courts for protecting registrations and authorizes triple damages for infringement.⁵ As a consequence of these remedial provisions, when a suit is begun for infringement, bottomed upon registration under the 1920 act, the district courts of the United States have jurisdiction. Unquestionably unsubstantial, the allegation of registration under the act is sufficient to give jurisdiction of the merits. In this case the trial court concluded that the invalidity of the trade-mark did not divest it of jurisdiction over unfair competition. This was erroneous.⁶ Once properly obtained, jurisdiction of the one cause of

⁵ 41 Stat. 534, Sec. 4. "That any person who shall without the consent of the owner thereof reproduce, counterfeit, copy, or colorably imitate any trade-mark on the register provided by this Act, and shall affix the same to merchandise of substantially the same descriptive properties as those set forth in such registration; or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several States, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof; and whenever in any such action a verdict is rendered for the plaintiff the court may enter judgment therein for a sum above the amount found by the verdict as the actual damages, according to the circumstances of the case, not exceeding three times the amount of the verdict, together with the costs."

⁶ Although we determine later that "Nu-Enamel" is registrable under the 1920 act; it seems appropriate to discuss jurisdiction of unfair competition on a different assumption so that the conclusion of the trial court, corrected and not discussed by the appellate court, will not become a precedent on issue of jurisdiction in trade-mark law. Cf. *Hurn v. Oursler*, 289 U. S. 238, 240.

tion, the alleged infringement of the trade-mark, persists to deal with all grounds supporting it, including unfair competition with the marked article.⁷ The cause of action is the interference with the exclusive right to use the mark "Nu-Enamel." If it is a properly registered trade-mark, a ground to support the cause of action is violation of the Trade-Mark Act. If it is not a properly registered trade-mark, the ground is unfair competition at common law. The facts supporting a suit for infringement and one for unfair competition are substantially the same. They constitute and make plain the wrong complained of, the violation of the right to exclusive use.

In the *Oursler* case there was a valid copyright which was held not infringed. Here the trial court determined the trade-mark was invalid. The *Oursler* case held that where the causes of action are different, the determination that the federal cause fails calls for dismissal.⁸ But where there is only one cause of action we do not consider that the holding of the invalidity furnishes any basis for a distinction between this and the *Oursler* case. Registration of "Nu-Enamel" furnished a substantial ground for federal jurisdiction. That jurisdiction should be continued to determine, on substantially the same facts, the issue of unfair competition.⁹

Registration of Descriptive Mark under 1920 Trade-Mark Act. Even though under the facts alleged and the admission that respondent's mark has acquired a secondary meaning the Federal courts have jurisdiction to determine whether petitioner is chargeable with unfair competition, it becomes necessary to determine whether registration of "Nu-Enamel" is permissible or impermissible under the Act of 1920 in order that it may be known whether section four, the basis of the prayer in the bill for triple dama-

⁷ *Hurn v. Oursler*, 289 U. S. 238.

⁸ *Hurn v. Oursler*, 289 U. S. 238, 248.

⁹ Two cases cited in the *Oursler* opinion deal with trade-marks: *Leschen Rope Co. v. Broderick Co.*, 201 U. S. 166, and *Elgin Watch Co. v. Illinois Watch Co.*, 178 U. S. 665. They are there treated as out of line with the cases holding that facts supporting substantial federal and non-federal questions give jurisdiction to federal courts. Both state categorically that without a lawfully registered trade-mark a federal court loses jurisdiction when the jurisdiction depends on the trade-mark act.

Where diversity of citizenship exists the issue does not arise. *Warner & Co. v. Lilly & Co.*, 265 U. S. 526. While the diversity is not made plain in the opinion it appears in the record. No. 32, 1923 Term, Vol. 13, Transcripts of Record 1689.

6 *Armstrong Paint and Varnish Works* vs. *Nu-Enamel Corp.*

ges, is applicable.¹⁰ Section one (b) of the 1920 act permits registration of the marks used for one year in interstate commerce which were not registerable under the Act of 1905 "except those specified in paragraphs (a) and (b) of section 5" of the Act of 1905. That section is set out below.¹¹ The point raised is whether the phrase "except those specified in paragraphs (a) and (b) of section 5" of the 1905 act is effective to bar not only marks,

¹⁰ See Note 5, *supra*.

When the trial court concluded the trade-mark was not registerable under the 1920 Act, it dismissed the bill which also sought damages for unfair competition. When the Circuit Court of Appeals concluded the trade-mark was registerable as non-descriptive, it declared that the issue of unfair competition was cognizable in the trial court. It does not appear whether the reason for this holding was because the mark was registerable or because it had acquired a secondary meaning, through extensive use. The lower court does not consider whether the bill alleges registration under the 1920 Act. If the mark is not descriptive it is registerable under the 1905 Act. A mark registerable under the 1905 Act is not registerable under the 1920 Act. ¹⁶ Trade Mark Reporter, 93, 530. The language of the 1920 Act permits registration only of marks communicated by the international bureau and those not registerable under the 1905 Act.

¹¹ "No mark by which the goods of the owner of the mark may be distinguished from other goods of the same class shall be refused registration as a trade-mark on account of the nature of such mark unless such mark—

(a) Consists of or comprises immoral or scandalous matter.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States or any simulation thereof, or of any State or municipality or of any foreign nation, or of any design or picture that has been or may hereafter be adopted by any fraternal society as its emblem, or of any name, distinguishing mark, character, emblem, colors, flag, or banner adopted by any institution, organization, club, or society which was incorporated in any State in the United States prior to the date of the adoption and use by the applicant: *Provided*, That said name, distinguishing mark, character, emblem, colors, flag, or banner was adopted and publicly used by said institution, organization, club, or society prior to the date of adoption and use by the applicant: *Provided*, That trade-marks which are identical with a registered or known trade-mark owned and in use by another and appropriated to merchandise of the same descriptive properties, or which so nearly resemble a registered or known trade-mark owned and in use by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers shall not be registered: *Provided*, That no mark which consists merely in the name of an individual, firm, corporation, or association not written, printed, impressed, or woven in some particular or distinctive manner, or in association with a portrait of the individual, or merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods, or merely a geographical name or term, shall be registered under the terms of this subdivision of this chapter: *Provided further*, That no portrait of a living individual may be registered as a trade-mark except by the consent of such individual, evidenced by an instrument in writing, nor may the portrait of any deceased President of the United States be registered during the life of his widow, if any, except by the consent of the widow evidenced in such manner. *And provided further*, That nothing herein shall prevent the registration of any mark used by the applicant or his predecessors, or by those from whom title to the mark is derived, in commerce with foreign nations or among the several States or with Indian tribes which was in actual and exclusive use as a trade-mark of

contra bonos mores, under (a) and marks, infra dignitatem, under (b) but also the following provisos, particularly the one concerned with descriptive words or devices.

It seems clear that the mark "Nu-Enamel" is descriptive of a type of paint long familiar to manufacturers,¹² with the addition of the adjective new, phonetically spelled or misspelled. Obviously this slight variation from the orthographic normal is not unusual. Numerous illustrations of such use by paint and varnish manufacturers are given by petitioner in its answer. The trade-mark is registered by the Nu-Enamel Corporation for a variety of products from enamels through paint brushes to glue, solder and tack rags. It is quite true that the mark is not descriptive as applied to many of respondent's products but the use by petitioner, the Armstrong Company, of which the Nu-Enamel Corporation complains is the use of "Nu-Enamel" or "Nu-Beauty Enamel." This use, Armstrong answers and the evidence supports the assertion, is confined to the enamels. We must therefore consider the case as though the

the applicant, or his predecessors from whom he derived title for ten years next preceding February 20, 1905: *Provided further*, That nothing herein shall prevent the registration of a trade-mark otherwise registerable because of its being the name of the applicant or a portion thereof. And if any person or corporation shall have so registered a mark upon the ground of said use for ten years, preceding February 20, 1905, as to certain articles or classes of articles to which said mark shall have been applied for said period, and shall have thereafter and subsequently extended his business so as to include other articles not manufactured by said applicant for ten years next preceding February 20, 1905, nothing herein shall prevent the registration of said trade-mark in the additional classes to which said new additional articles manufactured by said person or corporation shall apply, after said trade-mark has been used on said article in interstate or foreign commerce or with the Indian tribes for at least one year provided another person or corporation has not adopted and used previously to its adoption and use by the proposed registrant, and for more than one year such trade-mark or one so similar as to be likely to deceive in such additional class or classes." U. S. C. A., Title 15, § 85.

¹² "Enamel or Varnish Paint.—These types of paints dry with a brilliant glossy surface. They are made by grinding the selected pigment, or mixture of pigments, in a varnish medium, and their nature and properties depend on the type of varnish used. A quick-drying variety is made by using a cheap resin varnish as the vehicle, it dries with a high gloss surface in about 2-4 hours, but owing to the brittle and non-durable nature of the varnish used it is only suitable for interior use. High-class durable enamels, suitable for both inside and outside use, are made by using mixtures of heat-treated linseed oil (stand oil) and elastic copal varnishes as the vehicle. They are slow-drying, taking from 12-18 hours, and are very tough under the severest climatic conditions.

"Flat Paint.—This type of paint is really a flat-drying enamel. It is made in much the same way as the high class glossy enamels, except that it contains less varnish and more turpentine than ordinary enamel. Some varieties contain a proportion of wax dissolved in the varnish so as to give a more perfect mat or flat finish. Owing to their pleasing decorative effect they are used for interior decorations, but are not suitable for outside use." 17 Encyclopedia Britannica (14th Ed.) 35.

8 *Armstrong Paint and Varnish Works vs. Nu-Enamel Corp.*

only products of Nu-Enamel Corporation were enamels. As applied to them it is descriptive.

That the mark is descriptive of paint enamels does not bar it from registration as to them under the 1920 act. This has been the construction of the Patent Office.¹³ To construe (b) of the 1920 act to bar names, descriptive marks and merely geographical terms would make the subsection useless. The obvious purpose of its in-

¹³ *Wright Co. v. Sar-A-Lee Co.*, 328 Official Gazette 787, 788; *Postum Cereal Co. v. Cal. Fig Nut Co.*, 313 O. G. 454; Opinion of Solicitor, Interior Department, July 13, 1920, 277 O. G. 181, 182:

"In my opinion the recent act of March 19, 1920, as applied to register (b) therein provided should be construed as if it more specifically read as follows:

"All other marks not registerable under the act of February 20, 1905, as amended, except those specified as not registerable in paragraphs or schedules (a) and (b) of section 5 of that act, etc."

"This is the plain meaning of the law, as it was undoubtedly the intention to continue to deny registration to those marks prohibited registration by paragraphs or schedules (a) and (b) of section 5 of the act of February 20, 1905. In other words, my view is that register (b) provided by the recent act is not intended for any trade-mark registerable under any part of the act of February 20, 1905, nor for registration of any mark not registerable as specified in paragraphs or schedules (a) and (b) of section 5 of that act. The doubt will be relieved and a rational construction of the law will be subserved by considering the reference in the recent act to 'paragraphs (a) and (b)' of section 5 of the amended act of February 20, 1905, as meaning *schedules a and b* rather than paragraphs strictly and as comprising the following matters specified as not registerable, viz.:

"(a) Consists of or comprises immoral or scandalous matter.

"(b) Consists of or comprises the flag or coat-of-arms or other insignia of the United States or any simulation thereof, or of any State or municipality or of any foreign nation, or of any design or picture that has been or may hereafter be adopted by any fraternal society as its emblem, or of any name, distinguishing mark, character, emblem, colors, flag, or banner adopted by any institution, organization, club, or society which was incorporated in any State in the United States prior to the date of the adoption and use by the applicant: *Provided*, That said name, distinguishing mark, character, emblem, colors, flag, or banner was adopted and publicly used by said institution, organization, club, or society prior to the date of adoption and use by the applicant."

"This was the evident intention, as shown by the congressional hearings on the recent act, and with such construction a field will exist for the operation of the new law; otherwise none would remain."

Rule 19 of the Rules of the Patent Office Governing Registration of Trade-marks, issued July 1, 1937, reads as follows:

"A trade-mark must have been actually used in commerce before an application for its registration can be filed in the Patent Office.

"No trade-mark will be registered . . . under the act of February 20, 1905, which consists merely in the name of an individual, firm, corporation, or association, not written, printed, impressed, or woven in some particular or distinctive manner or in association with a portrait of the individual, or merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods, or merely a geographical name or term . . . No trade-mark will be registered under section 1(b), act of March 19, 1920, which is registrable under the act of February 20, 1905, as amended, or which has not been in *bona fide* use as a trade-mark for one year in international or interstate commerce or commerce with Indian tribes."

clusion was to widen the eligibility of marks. A dictum has expressed¹⁴ a view contrary to that of the Patent Office.

This administrative interpretation, contemporary with the legislation, and the legislative history have weight "when choice is nicely balanced."¹⁵ We construe section 1(b) of the 1920 act to be applicable to the categories expressed in Section 5 of the Act of 1905 under (a) and (b) including the first proviso but not to include the other provisos of (b). This conclusion is fortified by the addition of the proviso to section one (b) of the 1920 act, relating to identical trade-marks. The proviso in section 5(b) of the 1905 act refusing registration to identical marks in much the same language was construed in *Thaddeus Davids Co. v. Davids*, 233 U. S. 461, as not permitting the registration of such marks when used for ten years under the fourth, now fifth, proviso of that section. We

¹⁴ *In re Chas. R. Long, Jr., Co.*, (C. C. A., D. C.) 280 F. 975, 977.

¹⁵ *Fox v. Standard Oil Co.*, 294 U. S. 87, 96.

On January 21 and 22, 1920, the Committee on Patents of the House of Representatives was considering H. R. 7157 of the 66th Congress, 2nd Session, a bill to amend section 5 of the Trade-Mark Act of 1905. The Commissioner of Patents discussed with the Committee an amendment applicable to H. R. 9023 of the 66th Congress entitled "A bill to give effect to certain provisions of the convention for the protection of trade-marks." The applicable language is as follows:

"Mr. Newton. Yes. The amendment we propose is this:

"All other marks not registerable under the act of February 20, 1905 (as amended), but which for not less than two years have been bona fide used in interstate or foreign commerce, or commerce with Indian tribes, by the proprietor thereof, upon or in connection with any goods of such proprietor and upon which the fee of \$10 has been paid and such formalities as are prescribed by the Commissioner of Patents have been complied with, may be registered."

"Anything may be registered. That is an amendment to the bill that was passed yesterday. That bill does not give prima facie validity to the mark that is registered, the bill that passed yesterday, and this amendment does not give it. That is the reason we put this proposed amendment into the bill. But Mr. Merritt's bill wants to give them prima facie evidence of ownership, so we put that under the 1905 statute where it naturally belongs." Hearings on H. R. 7157 before the Committee on Patents, 66th Congress, 2d Session, p. 30.

Later in the hearing on the bill which became the act of March 19, 1920, this discussion was continued by Mr. Whitehead, Assistant Commissioner of Patents, who discussed the Commissioner's suggested language quoted above and said:

"One or two slight amendments ought, it seems to me, to be made to the bill. The bill as it stands is broad enough to put any mark on the register. Section 5 of the act of February 20, 1905, outlaws—if I may use that expression—two classes of marks—one, scandalous and immoral marks, and the other marks consisting of the flag or coat of arms of the United States, etc., and it seems as if this Senate amendment ought to be amended to exclude those marks specified in paragraphs (a) and (b) of that section. Otherwise there can be put on the register scandalous marks and the flag of the United States. I think it must have been overlooked. I do not think Mr. Merritt or Mr. Newton thought that they were including those two types of marks. It seems as if that could be accomplished by inserting in the amendment, after the

10 *Armstrong Point and Varnish Works vs. Nu-Enamel Corp.*

think that Congress in adopting the corresponding proviso in subsection (b) of the 1920 act, must be taken to have adopted the accepted construction of the similar proviso of the 1905 act. If the language of the 1920 act had been intended to exclude from registration all the classes excluded by the provisos of section five of the 1905 act, it would have been unnecessary to include this proviso.¹⁶

This Court has had several occasions within the last few years to construe statutes in which conflicts between reasonable intention and literal meaning occurred. We have refused to nullify statutes, however hard or unexpected the particular effect, where unambiguous language called for a logical and sensible result.¹⁷ Any other course would be properly condemned as judicial legislation. However, to construe statutes so as to avoid results glaringly absurd, has long been a judicial function.¹⁸ Where, as here, the language is susceptible of a construction which preserves the usefulness of the section, the judicial duty rests upon this Court to give expression to the intendment of the law.

*Remedies.*¹⁹ Registration under the 1920 act conferred no substantive rights in the registered mark but it does permit suits in the Federal courts to protect rights otherwise acquired in the marks. The 1905 act, section one, authorizes the "owner" to obtain registration of eligible trade-marks; section two requires the applicant to make oath that he "believes himself . . . to be the owner of the trade-mark"; section five refers to the "owner of the

words 'all other marks not registerable under the act of February 20, 1905,' the words, 'except those specified in paragraphs (a) and (b) of section 5 of that act,' or words to that effect."

After discussion of other matters:

"The Chairman. If you will in your brief just make those suggestions, we will be glad to take them up with the conferees.

"Mr. Whitehead. I will be glad to do that. I think the only really important one is to exclude those of paragraphs (a) and (b) of section 5. These others are minor matters." Hearings on H. R. 9023 before the Committee on Patents, 66th Congress, 2nd Session, Part 2, pp. 33-35.

The precise language adopted came from the conference report. Congressional Record, 66th Congress, 2nd Session, p. 4160.

¹⁶ The variations between the two provisos have been treated in practice as immaterial. 277 O. G. 181, 182. Cf. *Thaddeus Davids Co. v. Davids*, 233 U. S. 461, 467.

¹⁷ *Caminetti v. United States*, 242 U. S. 470, 485; *Crooks v. Harrelson*, 232 U. S. 55, 58-59; *Taft v. Commissioner*, 304 U. S. 351, 359.

¹⁸ *Sorrells v. United States*, 287 U. S. 435, 446, *et seq.* and cases cited; *United States v. Ryan*, 284 U. S. 167.

¹⁹ Since neither party has relied upon state law, we do not consider any effect it might have on our conclusions. Cf. *Kellogg v. National Biscuit Co.*, Nos. 2 and 56, this term, decided November 14, 1938.

mark"; section sixteen then declares "that the registration of a trade-mark under the provisions of this Act shall be prima facie evidence of ownership"; section 23 reserves all remedies at law or in equity which any party aggrieved by the wrongful use of his trade-mark would have had without the Act of 1905.

The 1920 act omits the quoted portion of section sixteen as to the effect of registration as prima facie evidence of ownership. Under section one the register includes all marks communicated to the Commissioner of Patents by the international bureaus provided for by the Buenos Aires convention of 1910 and all other marks not registerable under the Trade-Mark Act of 1905, with the exceptions discussed in the preceding section of this opinion, in bona fide use by the proprietor thereof for one year in commerce other than intrastate. Section four,²⁰ which protects the trade-mark, is substantially the same as section sixteen of the 1905 act, except for the omission of the prima facie presumption of ownership. It is the owner who has the rights of action under this act, unaided by any presumption from registration. The owner, on the other hand, is not limited in any way by the act, as section 23 of the Act of 1905 is made specifically applicable. This section preserves the legal and equitable remedies to an aggrieved owner. The Committee on Patents in the Senate was quite positive that the effect of the act on domestic rights was nil.²¹ The registrant acquires by the acceptance of his mark under the 1920 act the right to proceed in the Federal courts against infringers and to recover triple damages if he can establish his ownership of the trade-mark at common law.

"Nu-Enamel" is descriptive of the enamels in issue. The use on the numerous other articles of respondent's manufacture, in its advertising, on store window valances, on electric and other displays, and as the name of many stores and the sign of several thousand dealers, justify petitioner's concession that the name

²⁰ See Note 5, *supra*.

²¹ "This legislation has no effect on the domestic rights of anyone. It is simply for the purpose of enabling manufacturers to register their trade-marks in this country for the purpose of complying with legislation in foreign countries, which necessitates registration in the United States as a necessary preliminary for such foreign registration. As the law now stands, it enables trade-mark pirates in foreign countries to register as trade-marks, the names and marks of the American manufacturers, and thus levy blackmail upon them." Senate Report No. 432, 66th Congress, 2nd Session, p. 2. Cf. *Charles Broadway Rouss, Inc. v. Winchester Co.*, 300 Fed. 706, 714.

12 *Armstrong Paint and Varnish Works vs. Nu-Enamel Corp.*

means respondent and respondent's products only and the word distinguishes its goods from others of the same class. But a mark which is descriptive is not a good trade-mark at common law.²²

It was said in *Thaddeus Davids Co. v. Davids*²³ that names registered under the last proviso of section 5 of the 1905 act became technical trade-marks upon valid registration under that act. Assuming that descriptive terms in this respect would be analagous to proper names, there are clear distinctions between the acts. The 1920 act does not define "trade-mark" to include any mark registered under its terms, as does section 29 of the 1905 act. Remedies are afforded registrants under the 1920 act but these remedies are for "owners," and actual and exclusive use, short of a secondary meaning,²⁴ does not qualify a registrant under the 1920 act as an owner. That ownership must be established by proof.²⁵ Unless this ownership is established, no rights of action under the 1920 act for infringement exist. Here we have a secondary meaning to the descriptive term, "Nu-Enamel." This establishes, entirely apart from any trade-mark act, the common law right of the Nu-Enamel Corporation to be free from the competitive use of these words as a trade-mark or trade name.²⁶ As was pointed out in the *Davids* case, in considering the ten-year clause of the 1905 act, this right of freedom does not confer a monopoly on the use of the words. It is a mere protection against their unfair use as a trade-mark or trade name by a competitor seeking to palm off his products as those of the original user of the trade name. This right to protection from such use belongs to the user of a mark which has acquired a secondary meaning. He is, in this sense, the owner of the mark. We agree with the conclusion of the Circuit Court of Appeals that infringement is shown.

The rights of Nu-Enamel Corporation to be free of the competitive use of "Nu-Enamel" may be vindicated, also, through the

²² *Warner & Co. v. Lilly & Co.*, 265 U. S. 526, 528; *Standard Paint Co. v. Trinidad Asphalt Co.*, 220 U. S. 446, 453; *Elgin Nat. Watch Co. v. Illinois Watch Co.*, 179 U. S. 665, 673.

²³ 233 U. S. 461, 466, 468, 469, 470.

²⁴ Cf. *Standard Paint Co. v. Trinidad Asphalt Co.*, 220 U. S. 446, 461. The language in that case, denying to a descriptive term the effect of a trade-mark, is inapplicable for the reason that the descriptive term had not acquired a secondary meaning.

²⁵ Cf. *Charles Broadway Rouss, Inc. v. Winchester Co.*, 300 Fed. 706, 713.

²⁶ *Thaddeus Davids Co. v. Davids*, 233 U. S. 461, 470, 471.

challenge of unfair competition, as set out in the bill. The remedy for unfair competition is that given by the common law. The right arises not from the trade-mark acts but from the fact that "Nu-Enamel" has come to indicate that the goods in connection with which it is used are the goods manufactured by the respondent. When a name is endowed with this quality, it becomes a mark, entitled to protection. The essence of the wrong from the violation of this right is the sale of the goods of one manufacturer for those of another.²⁷

The questions as to damages, profits, and the form of the decree will be passed upon more appropriately by the trial court. The decree of the Circuit Court of Appeals reversing the decree of the District Court is affirmed and this cause is remanded to the District Court with directions to proceed in conformity with the opinion of this Court.

It is so ordered.

A true copy.

Test:

Clerk, Supreme Court, U. S.

²⁷ *Elgin Nat. Watch Co. v. Illinois Watch Co.*, 179 U. S. 665, 674.

MICROCARD

TRADE MARK



22



MICROCARD[®]
EDITIONS, INC.

PUBLISHER OF ORIGINAL AND REPRINT MATERIALS ON MICROCARD AND MICROFICHES
901 TWENTY-SIXTH STREET, N.W., WASHINGTON, D.C. 20037, PHONE (202) 333-6393

3

8

1

9

9

2

5

1

6

